

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Serinus is an oil and gas exploration, development and production company whose strategic purpose is to develop and produce natural resources. These business activities provide the energy essential to many of the processes and materials that support our daily lives but ultimately contribute to many of the environmental issues which are of concern to us today and in the future.

Climate change is an increasingly prominent issue, both globally and for our industry. The majority of our production is natural gas which we view as a transition fuel towards a low-carbon economy. Our gas production is primarily utilised in the generation of electricity and as such displaces coal in that energy mix. In all net-zero carbon scenarios oil and gas will remain essential elements of energy supplies for decades to come, our role in this process is to deliver our operations as cleanly and efficiently as possible.

Whilst extractive industries are essential to our modern way of life we are strongly aware of the wider range of responsibilities that industries such as ours have. In addition to the management and protection of the environment in those countries in which we operate we also have a clear responsibility to the welfare and the safety of our employees, our investors and stakeholders, local communities that may be impacted by our business, host governments and all of our business partners.

The COVID-19 pandemic reminds us that risk management needs to be dynamic and able to adapt to new threats and the Group quickly implemented stringent and effective protocols to protect our workforce from the risk of infection across all of its offices and operations, which included, amongst other measures, testing, on-site care and support, amended shift patterns and alternate working days. Safety of our staff and contractors remains a key concern.

Therefore, a long-term goal of the Group is to be a positive influence in the regions in which we operate through good corporate stewardship of our assets, our people and their communities. It is a key component of the ethos of Serinus that we maintain responsible and sustainable development while adhering to the highest operating standards and financial discipline. We carry out our operations in full compliance with relevant regulations and comply with all safety and environmental requirements and aim to conduct our business in an environmentally responsible manner. The Group has established an Environmental, Social and Governance (“ESG”) Committee, led by the Chief Executive Officer, supported by other key personnel, and overseen by the Board, which reviews the policies and metrics under which we operate and measure ourselves and also evaluates the environmental framework being adopted and recommended, such as that of the Taskforce on Climate-Related Financial Disclosure (“TCFD”), in order to determine how we may best comply with these evolving disclosures.

Whilst the TCFD is currently voluntary for smaller companies, we are applying governance, risk management and strategy processes to manage climate-related financial risks and develop this within our ESG strategy and integrate into the corporate strategy, growth plans, capital allocation, operations and executive management key performance indicators.

The Sustainable Development Goals (“SDGs”) as set out by the United Nations, particularly SDG 13 (Climate Action), are often referenced as reporting criteria for many energy companies. Serinus will continually evaluate at the Board level, through our ESG Committee, how this may be incorporated into our ESG reporting in an appropriate and relevant manner in the future.

ENVIRONMENT

Serinus has existing concession and licence holdings in Romania and Tunisia. Both asset portfolios cover extensive acreage but in vastly different topographic settings with the Satu Mare licence covering 2,949 km² in the north-west of Romania, across primarily agricultural farmland, while the three Tunisian concessions are located in the north, central and southern regions of the country in both remote desert and populated, agricultural environments.

Serinus’ goal is to manage the distinct local environmental requirements of its operations in full compliance with the relevant regulations and to reduce our carbon footprint by minimising emissions and waste and mitigate the potential impact of our operations on the environment.

ROMANIA

Serinus Energy Romania S.A. has continued to present an excellent HSE track record through 2021, with a zero-frequency rate (per one million man hours worked) for Total Recordable Injuries across all sites (2020 - zero for Serinus Romania employees) and in January 2022, the Moftinu Gas Plant reached 1,000 accident-free days of continuous operation. There have been no spills or environmental incidents at the Moftinu Gas Plant since its commissioning in 2019. Serinus Romania has maintained full compliance with all of its regulatory and environmental obligations.

Serinus Energy Romania S.A. completed its annual certification inspection and is certified for ISO 14001:2015 (Environmental Management Systems) and ISO 9001:2015 (Quality Management).

Romanian operations currently produce gas through the Moftinu Gas Plant which was brought onstream in April 2019 and is currently supplied by four producing gas wells. The Moftinu-1004 well was drilled and brought into production in February 2020, and the most recent well, Moftinu-1008, was completed in February 2021. The

process to plan and permit the drilling of these wells involved extensive engagement with a wide range of stakeholders from local landowners, regional agencies and national regulators. This process included gaining permission from each local landowner impacted by the drilling location; receiving local environmental permits which required environmental impact studies and a Natura 2000 study to assess the impact on local environmental protection zones (Natura 2000 is a network of protected habitats across the European Union); an archaeological assessment and studies to ensure the preservation of the local area; agricultural approvals, which required soil sampling before and after operations to demonstrate the absence of soil contamination; the development and approval of a flaring strategy; and regulatory permits from local and national authorities. There were no incidents of spillage or pollution at the Moftinu Gas Plant in 2021 (no incidents in 2020).

During 2021, energy use from grid electricity at the Moftinu Gas Plant was 314 MWh, 0.042% of the annual production of 749,980 MWh, compared with 254 MWh in 2020, which was 0.021% of that year's annual production of 1,223,200 MWh. A trial project to install solar panels to provide electricity to power water pumps for the firefighting system and provide fresh water for the accommodation units was completed during the year and produced 2.7 MWh of electricity to date, offsetting the equivalent of 5,761 kg of CO₂ emissions. This coming year, the intent is to utilise further available space within the Moftinu Gas Plant and install additional solar panels to increase the contribution of solar generated electricity. The aim is to install sufficient numbers of solar panels so as to generate up to 70% of the gas plant's electricity consumption, during the summer months.

In 2021, 9.6 MMscf of gas was flared from the four wells in production, being less than 0.4% of annual production, and equivalent to flared gas of 0.20 MMscf per month per well being 14.3% lower on a month per well basis than in 2020 when 8.4 MMscf of gas flared from three wells in production, being the equivalent to flared gas of 0.23 MMscf per month per well. 3,292 m³ of produced water was generated from the four wells in 2021, compared with 736 m³ of produced water from three wells during 2020.

Flue gas emissions tests are performed annually, in accordance with the requirements specified in the environmental permit. The most recent test was undertaken in September 2021 which monitored an average CO₂ emission level of 2.04% of total flue gas.

A Fugitive Emissions Monitoring Report was undertaken by a European accredited emission monitoring and pipeline integrity organisation, The Sniffers (www.the-sniffers.com), for the Moftinu Gas Plant in February 2021. The company collected data and presented its report in accordance with the Environmental Protection Agency of the United States ("US EPA") "Method 21" EPA-453/R-95-017. The Sniffers has been accredited ISO 17025 by BELAC (the Belgian accreditation body) on 17 December 2017 for the Method: "EPA 21 Protocol for equipment leak emission estimates, 1995, EPA-453/R-95-017". All data and calculations were generated by proprietary software designed by The Sniffers called Sniffers Full Emission Management Platform "SFEMP". Measured parts per million values are converted to emission loss (kg/year). These calculations are based on US EPA "Correlation factors for Petroleum Industry". This method uses conversion factors depending on the source type and the measured value. The monitoring exercise completed a Leak Detection and Repair programme through which it identified a total of 2,468 potential emission sources, of which 26 were not accessible (a source of emission that cannot be measured as it cannot be reached physically or safely without additional tools and is recalculated to be representative of all sources) and 2,442 were accessible.

Of the 2,442 accessible potential emission sources identified, there were only eight registered leaks, being 0.33% of accessible sources and resulted in an emission loss of 275 kg/year. One leak was detected above the Repair Definition threshold (the threshold concentration indicating obligatory repair of leaking sources which under the US EPA definition is 10,000 parts per million volume), amounting to 264 kg/year. The report concluded that a successful repair of the leak above Repair Definition could reduce the emission loss by 264 kg/year, equating to 69.96% of the total emission. The leak has been repaired.

TUNISIA

Serinus Tunisia B.V. maintained a strong HSE track record through 2021, with a zero-frequency rate (per one million man hours worked) for Total Recordable Injuries across all sites (2020 – zero for Serinus Tunisia employees). There were no environmental incidents at Sabria and six minor incidents at Chouech which were addressed and repaired. Serinus Tunisia has maintained full compliance with all of its regulatory and environmental obligations.

Environmental monitoring has been undertaken across all of our Tunisian fields since 2014 in compliance with legal requirements and the Company's responsibilities to the local environment. The annual environmental report for 2020 was submitted to the Agence Nationale de Protection de l'Environnement ("ANPE") in June 2021 and the report for 2021 will be filed during 2022, as required.

During 2021, annual environmental monitoring was undertaken by Le Centre Meditteraneen d'Analyses ("CMA") at the Sabria and Chouech fields, assessing: air emissions from stacks at both fields; air quality monitoring; groundwater monitoring; produced water; fresh water; soil sampling and noise pollution.

Stack air emission analysis and air quality monitoring was conducted at Sabria and Oum Chiah in August 2021. Analysis of the results demonstrated that most pollutants are compliant with limits, except for some excess carbon monoxide levels from a number of older compressors, heaters and generators. Mitigation measures have been investigated, a short- and medium-term action plan with an enhanced preventative maintenance programme has been implemented to address this, including the refurbishment and overhaul of affected equipment. Ground water monitoring is conducted on a yearly basis from existing water wells drilled at Sabria. No evidence of pollution has been reported. Five piezometer wells were drilled at Sabria to monitor the ground water table in 2014 which continue to be monitored.

The water disposal project manages produced water production at Sabria. This formation water has high salinity (360 grams/litre) with traces of heavy metals. Until 2015, disposal at Sabria was conducted by discharge into lined surface pits for natural evaporation of fluids. The low efficiency of natural evaporation together with the ongoing need to construct additional lined pits led to the introduction of automated fracturing evaporator technology in 2015 and which has enabled the acceleration of evaporation of produced water through an automated and a more efficient process. At Sabria, 45,598 m³ of produced water was disposed of in 2021 (2020 – 38,322 m³) and at Chouech 193,400 m³ of produced water was evaporated from lined surface pits in 2021 (2020 – 193,929 m³). The Company is investigating alternative environmentally-responsible produced water disposal solutions.

Further environmental analysis was conducted by First North African Consultancy for the Environment ("FNAC" www.fnac-environment.com), an engineering consultancy, in September 2020, to review the environmental management of the Sabria fields, compliance with Tunisian environmental regulations and analyse underground water and soil pollution in proximity to the water disposal project. The scope of work included: recovering, analysing and assessing environmental and technical documents and reports related to the evaporation ponds; analysing all previous waste pit treatment operations and related reports; analysing existing red register (hazardous waste) and blue register (domestic waste); carry out coring and sampling investigations of the potential impacted areas (soil and underground water) within the Sabria field; undertake water sampling and laboratory analysis from existing piezometers and production water discharge; and perform an environmental monitoring program of the potential impacted areas within Sabria field. The program was conducted in conjunction with representatives of ANPE and the environmental reports were submitted to ANPE. Results from the assessment showed below threshold levels of potential pollutants set under Tunisian regulations and equivalency with both groundwater and soil control samples. These demonstrated the efficacy of the water disposal project and the process of produced water storage in evaporation pits, with no evidence of leakage or overflow from the pits into the soil or groundwater. Recommendations from the report are being implemented.

The environmental monitoring programme for remote locations has been reviewed by management and has been implemented at all sites. The Company purchased a portable stack gas analyser in 2014 and it is used at Sabria and Chouech for ongoing air emissions monitoring (started in August 2015). In addition the Company has engaged the services of FNAC and CMA to conduct an annual environmental monitoring programme at Sabria and Chouech. In September 2021 an annual review was conducted at Sabria and at the pumping facility at Oum Chiah. The Company was in compliance with approved thresholds of groundwater and soil contaminants and required solid waste management. The Company's own review of air emissions showed compliance in all areas except for carbon monoxide ("CO") emissions from older fixed equipment. The Company has enhanced its maintenance of the older machinery to reduce emissions. In November 2021, the most recent annual review conducted at Chouech found that in accordance with the air quality limits set by Decree No. 2018-447 of 18 May 2018 and Decree No.2010-2519 of 28 September 2010 the Company complied with all measurements except for those relating to CO and CO vapour. The report made recommendations for remedial actions and the Company is addressing these. The annual review also determined that the Company's operations were within the limits for soil quality for industrial use and that groundwater was free of any contamination as a result of the activities of the central processing facility. Greenhouse Gas ("GHG") emissions were calculated for the years 2012-2016 for the Sabria, Chouech and Sanrhar fields. During the years 2017-2019 GHG emissions were calculated for Sabria only, as a result of the shutdown of the Chouech and Sanrhar fields:

1. Field gas consumption: CO₂- N₂O - CH₄
2. Flaring: CO₂- N₂O - CH₄
3. Venting: CH₄
4. Diesel consumption: CO₂- N₂O - CH₄
5. Vehicle transport: CO₂- N₂O

Guidelines followed for the calculation of GHG emissions were the Decree No. 2010-2519 dated 28 September 2010, fixing the limit of air pollution caused by fixed sources, and Decree No. 2018-447 dated 18 May 2018, fixing the limit and alert level of ambient air quality.

Waste management procedures have been implemented in all locations in Tunisia and monitor a comprehensive range of waste products including industrial waste (dry cell batteries, lead acid batteries, empty gas cylinders, oil filters, used oil, contaminated waste, used fluorescent lighting), resource waste (diesel consumption), hazardous waste (sewage, medical waste), domestic waste (food waste, plastic bottles, cooking oil, paper) and office waste (plastic bottles, paper, printer cartridges, batteries). For example, 757 kg of paper and plastic bottles were recycled in the Tunis office in 2020, which increased to 822 kg of paper and plastic bottles being recycled in 2021, as a result of training and greater awareness of wastage. Electricity consumption at the Tunis office in 2021 was 57,066 kWh, a further decline in consumption in 2020 from 59,336 kWh as the impact of COVID-19 related stay at home measures continued through that period. At Sabria electricity consumption remained consistent with prior years at 717,836 kWh (2020 – 714,056). Chouech is not connected to the electricity grid and power at Chouech is provided by on site gas generators. Fresh water consumption in 2021 at Sabria was 14,949 m³ (2020 - 14,214 m³) and at Chouech, 65,558 m³ (2020 - 54,925 m³). Diesel consumption across all operational locations was 160 m³ an increase over 2020 - (114 m³) but remains a significant reduction from 2019 (305 m³) reinforced by a combination of greater awareness of wastage, training, optimisation and more efficient transport management.

SOCIAL

Serinus seeks to ensure the health, safety, security and welfare of our employees and those with whom we work and to ensure that we have a workforce that is performing at its best and to contribute to the economic and social development of the countries in which we operate. Serinus Energy Romania S.A. has been certified for ISO 45001:2018 (Occupational Health and Safety).

The safety, security and welfare of all of our colleagues is a key priority for the Group and governs the manner in which we aim to conduct our business. Serinus has emergency response plans in place for all projects and assets. These plans are reviewed for relevance and updated by senior management annually. The plans are communicated to the workforce and personnel receive training to ensure they are competent to carry out their emergency roles. This is supplemented by periodic refresher training. Drills and training exercises are routinely carried out. Where relevant, the Group monitors the security situation at a local level and ensures that personnel are aware and appropriate measures are taken and updated as required. In Tunisia the HSSE team ensures the effective implementation of the Emergency Preparedness and Response Procedures and maintains and updates the Security Emergency Response Plan on a regular basis.

We undertake a range of activities to continuously improve our HSE Management Plan to ensure that the Company's policy commitments are applied. Routine monitoring is undertaken to assess and improve performance and periodic audits are conducted. Our procedures are set out as corporate standards that define the company expected practices within the whole organisation. The standards have been shared across the organisation and employees and contractors are trained as required at country level. In 2021, a total of 53 HSSE training drills and asset protection drills took place in Tunisia and 288 HSSE training sessions took place in Romania. Regular HSSE audits are undertaken to review policies and procedures with 25 internal HSSE audits completed in Tunisia in 2021 (2020 - 25) and an annual audit was undertaken by Lloyds Register for ISO certifications in Romania.

Serinus has an Emergency Response Plan in place for all projects and assets. This plan is reviewed annually with consultation from the Business Units. The plans are communicated to the workforce and response personnel receive training to ensure they are competent to carry out their emergency roles. The plan is recirculated to the Serinus team involved, prior to the launch of any major works campaign. These circulations are further supplemented by periodic refresher training, with drills and training exercises regularly carried out. In Romania, there have been no accidents since commencing production in 2019. There had been 981 days without accidents as at 31 December 2021 and the Company passed the 1,000-day milestone on 19 January 2022. In Tunisia, there were 2,218 days with no accidents as at 31 December 2021. In 2021, there were no Lost Time Injuries recorded across both Tunisia and Romania operations and we maintain a continuous focus on providing a safe working environment for our workforce. Our goal is to maintain this high level of safety and efficiency.

A key health and safety issue for the Group in 2021 has continued to be dominated by measures implemented to protect its workforce from COVID-19 which included amended shift patterns and working from home schedules as required by local regulations, additional operational protocols to minimise the risk of infection, the provision of protective equipment, regular disinfection of facilities and testing of personnel, as well as on-site access to medical staff.

Our Code and Policies commit us to providing a workplace free of discrimination where all employees can fulfil their potential based on merit and ability. We value a diverse workforce and are committed to providing a fully inclusive workplace, which ensures we recruit and retain the highest calibre candidates while providing the right development

opportunities to ensure existing staff have rewarding careers. Both the Romanian and Tunisian business units are led and managed by Romanian and Tunisian nationals respectively, and we currently have no expatriates in either of the business units. Our Romanian business is led by Ms. Alexandra Damascan and 50% of the staff in Romania are women, while in Tunisia 32% of the local head office are female. We value a diverse and equal opportunities workforce and we aim to recruit locally in all jurisdictions as we believe in the quality of our staff and the available pool of talent in each local market.

Serinus' Anti-Slavery and Human Trafficking Policy commits the Group to act ethically and with integrity in all our business dealings and relationships and to implement and enforce effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. The Group is also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the UK Modern Slavery Act 2015. We expect the same high standards from all our contractors, suppliers and other business partners, and as part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards. The prevention, detection and reporting of slavery in any part of our business or supply chains is the responsibility of all those working for the Group or under our control and they are encouraged to raise concerns about any issue or suspicion of slavery in accordance with our Whistleblowing policy.

Serinus Tunisia developed its CSR program in conjunction with local communities and stakeholders to identify those areas which would make a significant impact to those groups, focussing on support for healthcare, education and culture in the local areas within which it operates. It has managed a program since 2013 to undertake this, with support and contributions for providing medical equipment to hospitals, repairing classrooms and school facilities, providing books for school libraries, improving nurseries and sponsoring local cultural events. Serinus Tunisia also participated in projects with local and regional authorities and other oil and gas companies operating in its areas, such as the Kébili CSR Consortium with which it has been involved with since 2015 and which promotes the regional development of the Governorate of Kebili, in collaboration with the regional authorities, the Ministry of Industry, Energy and Mines, ETAP and the oil and gas companies operating in the region (the "Kebili CSR Consortium"). Since 2015 the Kebili CSR Consortium has supported education programs, restoring schools and providing facilities and infrastructure, health initiatives, purchasing medical equipment and renovations, and other social projects. The CSR program for Kébili also includes a cultural component with a specific focus on encouraging women to preserve the local handicraft traditions amongst others by setting up and equipping a handicraft centre for women in Kébili. This project has a training and development component and will ensure the economic empowerment of women.

Social tensions and political instability in Tunisia, particularly in the southern regions, over the past few years has impacted the ability to execute many of these initiatives and CSR programs, but these initiatives have been an important part of maintaining the company's relationships with local stakeholders throughout this period and it is expected that with renewed stability it will become possible to resume such support in the coming years.

GOVERNANCE

The Group recognises the importance of good corporate governance and is managed under the direction and supervision of the Board of Directors. As required under the AIM Rules, we have adopted and comply with a recognised corporate governance code, being the Quoted Companies Alliance Corporate Governance Code (the "Code") and set out a summary of how we comply with it on pages 3033 to 3336 of the Annual Report.

Serinus currently operates in Romania and Tunisia. Romania is allocated a mid-score on Transparency International's most recently published Corruption Perception Index ("CPI") and is ranked number 66 out of 180 countries in the 2021 CPI. Tunisia is ranked number 70 on the same CPI. Neither country is designated as high risk, Romania is within the European Union and both have well-evolved legal systems in place, however the Group's policies, procedures and working practices need to remain fit for purpose and be regularly reviewed and updated as required. The Group maintains internal control systems to guide and ensures that our ethical business standards for relationships with others are achieved.

Bribery is prohibited throughout the organisation, both by our employees and by those performing work on our behalf. Our Anti-Bribery and Corruption ("ABC") programme is designed to prevent corruption and ensure systems are in place to detect, remediate and learn from any potential violations. This includes due diligence on new vendors, annual training for all personnel, requisite compliance declarations from all associated persons, Gifts and Hospitality declaration and comprehensive 'whistleblowing' arrangements.